



REGIONAL 2006 FARM PRODUCTION EXPENDITURES SUMMARY

Released August 2007

U.S. Farm Production Expenditures totaled \$235 billion in 2006, up 5.4 percent from the revised 2005 total of \$223 billion. The largest contributors to the increase were Livestock and Poultry Purchases, up 17 percent; Taxes, up 13 percent; Interest, up 10 percent; Feed, up 8.9 percent; and Fuels, up 7.9 percent. The rise in production expenditures was spread more evenly across line-item expenditures this year than in previous years.

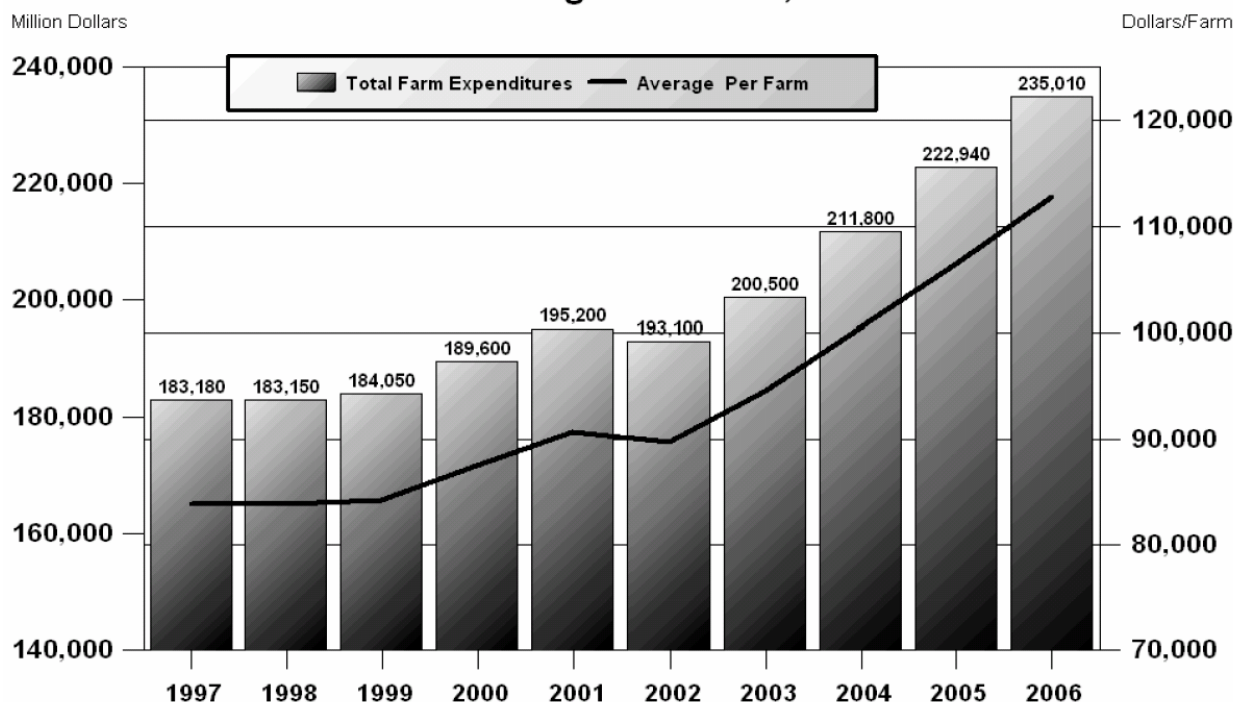
Internal and external factors effecting production costs this year include several states that have record level inventories for hogs, poultry, and cattle. At the same time, hot summer temperatures and drought in some areas of the country caused substantial productivity and death losses. The areas hardest hit were the Plains and West regions. Feed expenditures increased partially because of drought in the Plains Region. The "locking in" of feed prices allowed

many operations to control feed costs, mitigating the overall rise of feed costs. Cattle feeding activity was influenced by the increased availability of distillers grains from ethanol plants.

In 2006, the average U.S. Total Farm Expenditure was \$112,788 compared with \$106,423 for 2005. On average, U.S. farm operations spent: \$14,974 on Farm Services, \$14,638 on Feed, \$12,094 on Livestock and Poultry Purchases, \$11,902 on Labor, and \$8,783 on Rent. Revised estimates for 2005 indicate U.S. farms spent an average of: \$14,130 on Farm Services, \$13,366 on Feed, \$10,311 on Livestock and Poultry Purchases, \$11,457 on Labor, and \$8,163 on Rent. Average Total Expenditures for large farms (\$1 million and over in sales) were \$2.60 million, 3.7 times larger than the next largest economic class.

NOTE: Regions consist of the following areas: Atlantic (CT, DE, KY, ME, MD, MA, NH, NJ, NY, NC, PA, RI, TN, VA, VT, WV); South (AL, AR, FL, GA, LA, MS, SC); Midwest (IL, IN, IA, MI, MN, MO, OH, WI); Plains (KS, NE, ND, OK, SD, TX); West (AZ, CA, CO, ID, MT, NV, NM, OR, UT, WA, WY).

U.S. Farm Production Expenditures Total and Average Per Farm, 1997 - 2006

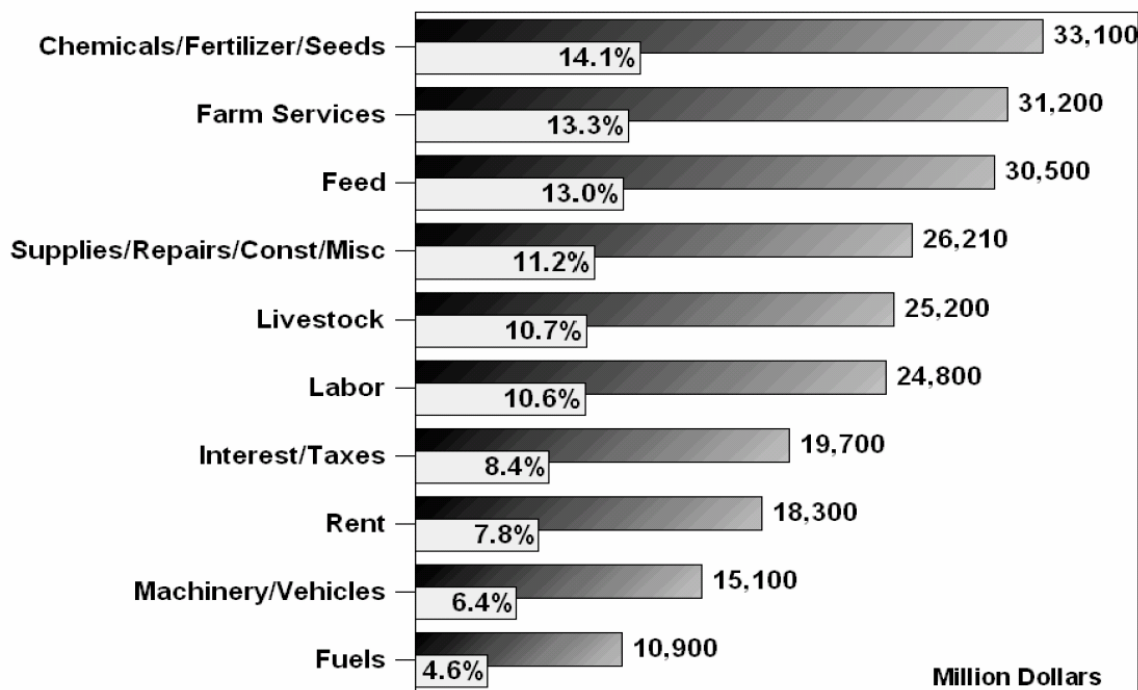


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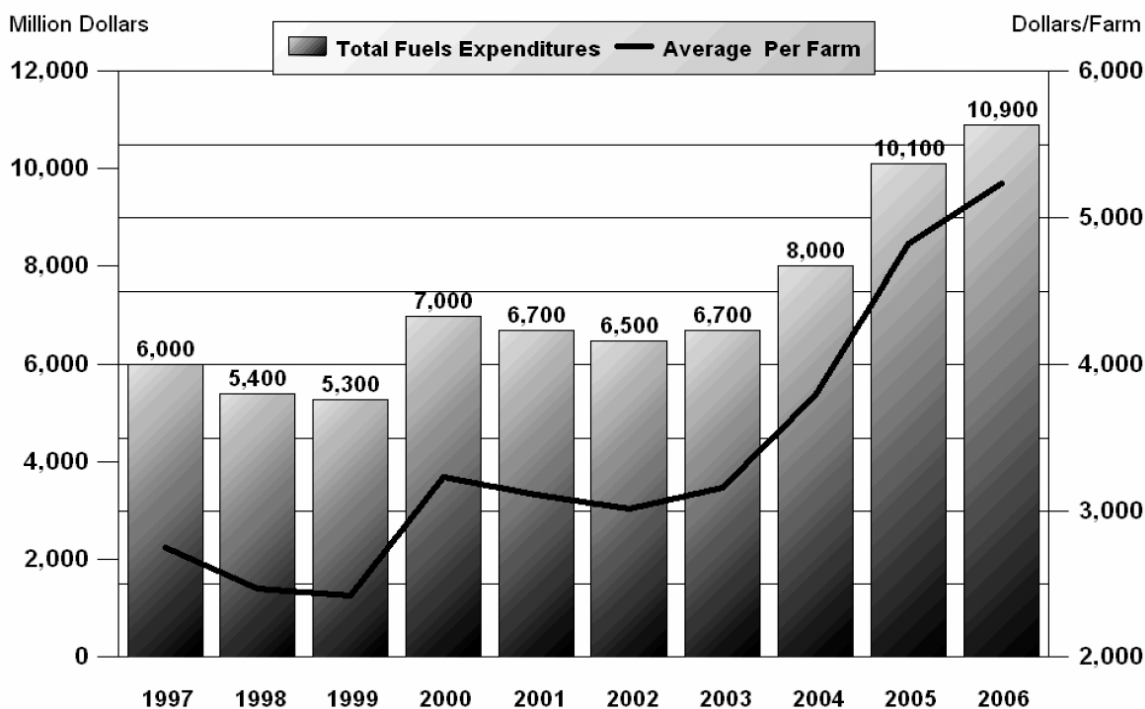
U.S. Farm Production Expenditures

By Input Items, Expense, Percent of Total United States, 2006



U.S. Fuels Expenditures

Total and Average Per Farm, 1997 - 2006



Farm Production Expenditures:
Farms Reporting, Average per Farm, and Total,
United States, 2005-06 ¹

Expenditure	Farms Reporting ¹²		Average per Farm ¹³		Total Expenditures	
	2005	2006	2005	2006	2005	2006
	<i>Percent</i>	<i>Percent</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Million Dollars</i>	<i>Million Dollars</i>
Total Farm Production Expenditures ²	100.0	100.0	106,423	112,788	222,940	235,010
Livestock, Poultry & Related Expenses ³	26.6	28.1	10,311	12,094	21,600	25,200
Feed	60.9	61.7	13,366	14,638	28,000	30,500
Farm Services ⁴	94.7	94.4	14,130	14,974	29,600	31,200
Rent ⁵	31.9	30.7	8,163	8,783	17,100	18,300
Agricultural Chemicals ⁶	48.0	47.2	4,201	4,223	8,800	8,800
Fertilizer, Lime & Soil Conditioners ⁶	53.5	55.7	6,110	6,383	12,800	13,300
Interest	40.8	40.6	4,630	5,135	9,700	10,700
Taxes (Real Estate & Property)	99.7	99.9	3,819	4,319	8,000	9,000
Labor	34.8	31.5	11,457	11,902	24,000	24,800
Fuels	83.3	83.4	4,821	5,231	10,100	10,900
Farm Supplies & Repairs ⁷	83.7	82.5	6,015	6,383	12,600	13,300
Farm Improvements & Construction ⁸	57.3	56.7	6,062	6,095	12,700	12,700
Tractors and Self-Propelled Farm Machinery	24.9	20.0	4,058	3,503	8,500	7,300
Other Farm Machinery	29.2	23.7	1,957	1,824	4,100	3,800
Seeds & Plants ⁹	42.5	43.4	4,965	5,279	10,400	11,000
Trucks & Autos	25.2	20.8	2,244	1,920	4,700	4,000
Miscellaneous Capital Expenses ^{10 11}	14.6	11.0	115	101	240	21

¹ Excludes AK and HI. ² Includes landlord and contractor share of farm production expenses. Totals may not add due to rounding. ³ Includes purchases and leasing of livestock and poultry. Edit procedures have been upgraded over the last two years to better identify cattle farm records where not all livestock are owned. These 'custom feeding' operations are now correctly recorded as production contracts, resulting in increased livestock purchases for contractors. ⁴ Includes all crop custom work, veterinary custom services, transportation costs, marketing charges, insurance, leasing of machinery and equipment, general and miscellaneous business expenses, and utilities. ⁵ Includes public and private grazing fees. ⁶ Includes material and application costs. ⁷ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. ⁸ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. ⁹ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment. ¹⁰ A zero in this line-item denotes less than 5 million dollars. Average value derived from expenditure rounding to zero will also be zero. ¹¹ Miscellaneous Capital Expense is shown in the tables for the first time. To properly summarize Miscellaneous Expenses and Miscellaneous Capital Expenses, Miscellaneous Expenses were combined with General Business Expenses which is summarized as a part of Farm Services. 2005 estimates were adjusted to reflect this change (see full report). ¹² Number of farms reporting item divided by total number of farms. ¹³ Total expenditures divided by total number of farms. Items may not sum to total due to rounding. ¹⁴ The Plains Region consists of KS, NE, ND, OK, SD, and TX.

Farm Production Expenditures:
Farms Reporting, Average per Farm, and Total,
Plain Region, 2005-06 ¹⁴

Expenditure	Farms Reporting ¹²		Average per Farm ¹³		Total Expenditures	
	2005	2006	2005	2006	2005	2006
	<i>Percent</i>	<i>Percent</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Million Dollars</i>	<i>Million Dollars</i>
Total Farm Production Expenditures ²	100.0	100.0	101,006	107,919	49,210	52,470
Livestock, Poultry & Related Expenses ³	29.5	30.9	17,816	22,131	8,680	10,760
Feed	68.0	68.2	11,084	12,423	5,400	6,040
Farm Services ⁴	94.5	93.2	11,843	11,991	5,770	5,830
Rent ⁵	41.4	36.4	8,580	9,214	4,180	4,480
Agricultural Chemicals ⁶	48.6	46.9	3,571	3,517	1,740	1,710
Fertilizer, Lime & Soil Conditioners ⁶	48.3	50.2	5,911	6,232	2,880	3,030
Interest	43.1	42	4,392	4,792	2,140	2,330
Taxes (Real Estate & Property)	100.0	100	4,002	4,587	1,950	2,230
Labor	35.8	31.4	5,480	5,389	2,670	2,620
Fuels	81.5	79.8	5,255	5,697	2,560	2,770
Farm Supplies & Repairs ⁷	80.6	78.4	5,316	5,142	2,590	2,500
Farm Improvements & Construction ⁸	56.4	54.9	5,172	5,450	2,520	2,650
Tractors and Self-Propelled Farm Machinery	29.1	18.8	3,920	3,188	1,910	1,550
Other Farm Machinery	30.3	22.8	2,053	1,913	1,000	930
Seeds & Plants ⁹	38.2	37.3	3,859	4,031	1,880	1,960
Trucks & Autos	29.0	24.3	2,668	2,139	1,300	1,040
Miscellaneous Capital Expenses ^{10 11}	17.5	13	82	82	40	40

See footnotes on page 3.

These data are from the Farm Production Expenditures 2006 summary published by the USDA's National Agricultural Statistics Service. South Dakota data is only published in the national and regional totals. The complete report can be accessed at <http://usda.mannlib.cornell.edu/usda/nass/FarmProdEx//2000s/2007/FarmProdEx-08-02-2007.pdf> and all reports from the USDA's National Agricultural Statistics Service can be accessed at <http://www.nass.usda.gov>. The Farm Production Expenditure Summary is compiled from the Agricultural Resource Management Survey completed in February and March of 2007.

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